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this nature. The majority of them belong to the weavers' community. As a matter of fact Government are offering facilities by way of lending officers and by way of loans of money to these societies. One of such is in Salem. The idea of starting a central bank with branches all over the Presidency so that money could be given them by way of loans could very well be taken up by the existing central banks. If only such societies apply to the Registrar, certainly they could be registered. It is not so much the necessary funds as more facilities for selling these articles that are required. I am afraid in these days it is not possible to give them what they want. I may tell them that the Central Land Mortgage Bank was introduced with a view to help the various land mortgages in the mufassal. In spite of the Government help to the Central Land Mortgage Bank, it has not been in a position, owing to the economic condition, to function properly. When things are like that, I don't think a Bill like the one proposed would succeed. And even assuming that the necessity for a Central Bank of the character proposed is found, I may tell the House that there is no necessity for any legislation whatsoever. That bank can be ushered into existence by the Registrar, if those who are interested in the societies and in the formation of the bank would go to him and represent that they are prepared to take the necessary shares and so on. I think if the House is very keen and the members of the artisan class are really interested in bringing about the formation of a central institution like the one proposed, it is open to them to go to the Registrar and say so. And Government will instruct the Registrar to render all help possible."

The resolution was, by leave, withdrawn.

ORGANIZATION OF A STATE LOTTERY ON THE LINES OF THE IRISH FREE STATE LOTTERY.

* Mr. M. S. SRESHTA:—"Mr. President, Sir, I beg leave of the House to move the resolution standing in the name of Mr. M. D. T. Ranganatha Mudaliyar."

The House signified its assent.

* Mr. M. S. SRESHTA:—"Sir, the resolution which I am moving runs as follows:—

'This Council recommends to the Government that a State lottery on the lines of the Irish Free State Lottery be organized by Government to carry on or finance public utility undertakings, such as trunk roads, bridges, water-supply, rural medical aid and elementary education, which now suffer owing to the need for retrenchment.'

"This resolution requires a little explanation. It may seem that the method of collecting revenue by means of lottery is a novel one. As a matter of fact, however, this lottery idea is by no means novel. In almost every European State a State lottery is organized not as an abnormal or as a temporary expedient for raising revenue but as a

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normal means of raising revenue. In Tasmania one-third of the revenue is collected annually by means of lotteries. And as you know there are sweepstakes and lotteries all over Europe.

“The question is why a system of raising revenue which is not considered wrong in many of the advanced countries should not be adopted in India as at least an exceptional measure. The only civilized country perhaps which has been not consistently in favour of lotteries is England. Even there there have been lotteries at different times. The famous institution of the British Museum owes its existence to a State lottery. The Sloane collection was, I believe, purchased with the proceeds of a lottery. Even so recently as the Great War the Victory Bonds Lottery was organized with the help of the State. Therefore to say that this idea offends the ethical sense, that it is wrong in principle and that it should not be adopted seems to be a very extraordinary reasoning. My proposal now is not to organize a State lottery as a permanent source of revenue but only during the present exceptional times when Government finds it difficult to carry out its commitments. When people are turned out of employment for want of funds, when all humane considerations are cast aside and people are thrown away to the mercies of private charity I think we have got a right to consider alternative sources of revenue. It may be said that the Bombay Legislative Council has passed a resolution in favour of a State lottery. When the resolution was being proposed in the Council the Member of Government in charge of the portfolio said that the Bombay Government had already recommended to the Central Government the establishment of a State lottery. The Member said that if the Legislative Council passed the resolution to the effect that a State lottery should be organized the Government would forward the resolution to the Central Government and he hoped that the resolution would be successful. The question is why what is considered right by responsible Members of Government in Bombay should be opposed in Madras. The only reason for opposing this resolution appears to be that we are not a bankrupt Government whereas the Bombay Government has not been able to balance its budget. But how are we balancing our budget? We are throwing out our men from employment. We, Members of Council, are in close touch with the people and we know what amount of suffering is caused by people being turned out of employment. When we want something to be done which is beneficial to the country, what is the reply that we get? ‘No funds are available.’ Why should not agricultural experts be appointed? The answer given the other day by the Minister in charge was: ‘No funds are available.’ Whenever some public utility schemes are pressed on the attention of the Ministers they say, ‘We are very willing, we are very anxious to help the country but no funds are available.’ In this state of affairs can you say that the Madras Government is solvent? If it is, it is so by casting aside all humane considerations and at the expense of industries which are stifled. I think that this sort of solvency is hardly an excuse for not adding to the revenue. Involuntary taxation is not possible for us. No Government will propose fresh taxation and, if it does, there is no

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chance of its continuing in power. With regard to the proposed lottery it is a method of raising revenue by voluntary means. The question will be asked whether there is sufficient money in the country? The answer to that question is that a large amount of money is being drained away from India now, to Ireland and the Portuguese territory in Goa. So large an amount as Rs. 2,000 per month is being sent every week from South Kanara. I believe a large amount is being sent from Madras and Bombay also. When we analyse the feeling against lotteries in England I think it will be found that it is due to the success which has attended the Irish State Lottery. It has been draining away 14 million pounds during the last 12 months from England after deducting the commission and prizes paid in England. If it is considered ethically wrong to have any sweepstakes let the Government take a strong attitude and let all sweepstakes be abolished. So long as you tolerate the totalisator in the Madras Race Course and so long as you tolerate similar things, it is absurd to become at once a highly moral individual and say, 'We cannot have a State lottery.' The Home Office Legal Expert says that at present the law has been found to be absolutely helpless against lotteries. The law reflects the attitude of Government. Government are not able to say, 'Sweepstakes ought to be prevented. We will stop all these vicious ideas.' They only say, 'We cannot have a legalized lottery which will be under the control of the State.' I think, Mr. President, that this is a very weak attitude. If a lottery is improper, stop all forms of it; otherwise it is perfectly right to have a legalized lottery to divert the flow in the proper channel and enrich the coffers of the State. I will go further and say that so long as we have not our own lotteries it is not possible to stop the drain of money that goes out of the country for buying lottery tickets. When once we have our own lotteries we will be able to stop the drain. It is said that the Calcutta Sweepstake earnings have very much diminished owing to the Irish lottery. Similarly if we have a sweepstake of our own, it will be possible to stop most of the money which goes out of India. By having a sweepstake of our own we shall not be taxing people in a novel manner. We shall only divert the flow of money in one direction and bring it into our own country. I would also point out that there are reasons behind the British feeling against lottery. You will remember that a Bill was moved some months ago in Parliament for the introduction of lotteries. It failed because the conditions in England are different from the conditions in India. Money was wanted for financing hospitals. There are about a thousand voluntary hospitals in Great Britain and they secure by voluntary contributions something like 30 million pounds per annum. Where the contributions come in so freely there is no need for a lottery. But is it possible to have voluntary contributions to the same extent in India? It is not possible. We are doing private charity rather than organized public charity. As a matter of fact most of the hospitals are in charge of the State. Therefore we cannot entirely draw a parallel from England. Again it has been said that no Government in the world is more socialistic in its activities than the Government of India. The Government of India

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deliberately takes part in socialistic activities. That is not the case in England. There the *laissez faire* system prevails and Government does not interfere with private enterprise. Everything is done by private charity as much as possible and the State interferes as little as possible. This is not possible in India. To say that we must follow the same principles that are being followed in England is to ignore entirely the psychology of the East. So long as Government does take part in commercial enterprises it is necessary that the sources of revenue must be more elastic than in England. Then at the present time all our industries are struggling. I do not know how long this period of retrenchment will last. Are we to stop all industrial enterprise? There is a very good source of revenue in the Bellary and the Ceded districts ceramic industry. But it cannot be exploited because no funds are available. I say that it is not desirable that we should follow the precedent set up in England but we should go on the facts before us and Members of Government should as practical statesmen not think of ethical standards which are peculiar or which are not agreed to by the bulk of the people of the world. There is nothing inherently vicious in the lottery principle. As a matter of fact I would have had no chance of proposing this resolution but for the success in balloting. There is practically no species of business or human activity in which there is no element of chance.

"To say that the element of chance should not come in as regards raising revenue is establishing a proposition which cannot be sustained. The precedent which we might follow is the one set by the Bombay Legislative Council. The conditions in Bombay are the same as the conditions here. They may perhaps be a little more in want of money than ourselves. But it is a question of degree. It was found to be necessary to add to the sources of revenue there somehow or other. The proposer of the lottery there happened to be a gentleman who was always against gambling and against the Betting Act. But he explained that the conditions were such in Bombay that it was necessary to go in for some kind of State lottery. So far as I could see, his resolution met with no opposition from the Members of the Legislative Council or the Members of the Government. I hope that this House will take the same attitude that the Bombay Council took and that we shall act as reasonable and practical men, as men of the world and not adopt standards of ethics which are not followed practically by any religion. As I have said, not only Christian churches but also Hindu temples are being built with the aid of lotteries. There is no big charity which does not depend to some extent on lottery.

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"As regards the economic aspect, it may be argued that people depending on making fortunes by means of lotteries will become lazy and give up doing work and that all scientific and industrial development will come to an end. Such an argument shows a lack of sense of proportion. There is no fear at all for such dislocation of industry or business. This State lottery will only displace the lotteries to which we are already subscribing, and it need not be feared

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that the people will be contracting any new vice thereby. There is much more to be said on the subject, but I shall not take up any more time of the House and tax your patience. I only hope that what I have said will make the House understand that the position is a very serious one and that at this moment we must treat the question seriously. If there is really any harm in the proposal which has been made, either that it will fail or otherwise, I shall not myself ask this House to vote for this proposition. As regards details, they can be considered later on when the principle has been accepted. It may be that instead of a simple lottery, lottery loans or the issue of premium bonds may be established. To prevent prizes in cash leaving the country, prize-winners may be paid in Government securities. These are all details which may be worked out later on. But at the present moment, I only request this House to think over this resolution carefully and pass it. Leave it to Government to work out the details and to formulate some scheme of lottery which is not in any way outrageous to one's sense of ethics."

* Mr. A. B. SHETTY:—"Mr. President, I second the resolution. Sir, my hon. Friend, Mr. Sreshta, seems to have bestowed a good deal of thought and attention on this matter. I know he has been interesting himself in this question for a fairly long time now, and I venture to think that he has made a fairly good case for the resolution. Sir, State lotteries have been conducted in several countries in the West. I find that in 1894, Prussia got as much as £487,675 by means of lottery, Austria got £748,672, Spain got £960,000 and Italy raised a million pounds by means of a State lottery. In England, the first State lottery was conducted in 1567. Between the years 1709 and 1825, they were raising large sums of money in England by State lotteries every year. It is true they abolished this system of State lottery about a century ago. But there is a considerable body of opinion in favour of instituting such lotteries in England even to-day. My hon. Friend referred to the motion brought last year in the Parliament asking for leave to bring in a Bill to authorize the raising of money by means of lotteries for the support of hospitals. It is true this motion was defeated by 181 persons voting against 58 who voted in support of it. But, Sir, it is worth noting that out of 239 people, nearly 25 per cent voted in favour of the motion. The Special Committee of Appeal in connexion with St. Bartholomew's hospital sent out a questionnaire to thousands of representative people in connexion with their appeal for funds for that hospital, and the result up to the time this motion was brought in the Parliament was that 3,125 people were stated to be in favour of starting a lottery in aid of the hospital, and only 61 people were against it. So that, we see that even in England where there is such a strong feeling against State lottery there is even to-day a considerable body of opinion in favour of instituting a system of State lottery. In the neighbouring country of Ireland it is well known how they are having their sweepstakes. It is said that two years ago they got £600,000 by means of the sweepstake and in the next year they were

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expecting to get £500,000. My hon. Friend has already spoken of the move of the Bombay Government in the matter of instituting a State lottery. The Bombay Government had to curtail their medical facilities on account of financial stringency. In June 1931, they made a request to the Government of India to allow them to institute a State lottery for the purpose of raising money in aid of their hospitals. The Government of India turned down this proposal. They repeated the request in October last year, and again the Government of India refused to do anything in the matter. On the 15th of March this year, a resolution was brought forward in the Bombay Council by a non-official Member recommending to the Government that they should institute a State lottery for the purpose of supporting their hospitals. This resolution, as my hon. Friend pointed out, received support from all sides of the House, and the Government also welcomed it. They said that they would forward it to the Government of India and try to see whether they could make the Government of India revise their decision and get if necessary, the sanction of the Secretary of State. The Government of India, it would appear, were unwilling to forward to the Secretary of State the request previously made by the Bombay Government because, in view of the declaration made by the Members of His Majesty's Government in connexion with the Irish Sweepstakes, they did not expect the matter would be viewed with favour by the Home Government. As Mr. Sreshta has pointed out, Sir, outsiders are carrying away a good deal of money from this country by means of lotteries. The Goa Government is carrying on a lottery from month to month and a good many of their tickets are being sold in our province. Even the tickets for the Irish Sweepstakes are being sold here. One of the Members of the Bombay Council said at the time the resolution on the starting of a Government lottery was under discussion that as much as 25 to 30 lakhs of rupees is being taken away from the Bombay Presidency alone by the sale of the Irish Sweepstake tickets. The passion for gambling seems to be an infirmity common to most people. Some of the best of our men gamble every day at the club. The rich as well as the poor are allowed to gamble at the race course. The Government does not object to the totalizator. It allows private lotteries. There are any number of private lotteries being held now. (The hon. Diwan Bahadur Sir M. Krishnan Nayar: No.) Does not the Law Member know that the Government have allowed a lottery organized by the Flying Club at Trichinopoly and its tickets are being sold to-day in Madras."

The hon. Diwan Bahadur Sir M. KRISHNAN NAYAR:—"I may just interrupt my hon. Friend. The Government have never sanctioned any private lottery."

MR. A. B. SHETTY:—"If the Government regulates and controls the lottery, there will be no chance of fraud. I cannot see any serious objection to the legalization of lottery held under proper public control and for approved public purposes. All that my hon. Friend wants is that Government should institute a lottery to tide over this present

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difficult time and get the funds necessary for the nation-building departments. I am sure our genial friend, the Development Minister, would very much welcome this proposal for providing money for the starving departments under him. I request the House to consider and give their support to the proposal which is contained in my hon. Friend's resolution."

MR. T. S. RAMASWAMI AYYAR:—"Mr. President, Sir, I am sorry to see that this resolution has been introduced in this House at this stage. I thought the Members of this House would have been feeling happy that so far as this province is concerned she has in a way rounded the corner and that after the retrenchment proposals which were given effect to it has been possible for the Madras Government to balance the budget, and we could expect the Madras Government to carry on without much difficulty. It was also expressed at the last meeting of the Legislative Council and also admitted by Government that it may be possible in the coming year for even the cut in salaries to be restored. Under these circumstances, Sir, I fail to see the abnormal condition which makes hon. Members of this House think of a proposal like this. The hon. Mover of this resolution said that it is the practice in many European countries to start such lotteries. But I am afraid, Sir, he made his case very weak when he referred to England. He said that for some years the English Government has stood out against lotteries, and the hon. Member who seconded the resolution also said that for a century or so the practice that obtained in England of supporting lotteries had been abandoned. If England in spite of the many troubles she had was able to get through her difficulties fairly and squarely without resorting to methods considered not quite straight, I do not see any reason why India and this Presidency in particular should think of starting a lottery. I am afraid, Sir, certain reasons put forward by hon. Members of this House do not carry conviction. My hon. Friend, the Mover, said that certain ethical standards need not be adopted. I was sorry to hear that statement made on the floor of this House.

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"It may be that in some places ethical standards are not observed strictly. Even if there was a dire necessity, I would not vote for a proposition of this kind, seeing that it is the State that has to set the ethical standards. Taking the example of England, to which the hon. Mover referred, I can say that when faced with great difficulties the English statesmen were able to face the situation squarely by meeting the demands made on the State. If it was a question of reparations there was an adjustment by party meetings; if it was a question of a National Government being formed to stop certain unnecessary expenditure that had been incurred by the Labour Government, immediately a National Government was formed, and all items of expenditure that were considered unnecessary were immediately put down. The Labour Government, much less the other parties, did not agree to a State lottery to pay unemployment doles. If they thought that unemployment doles could not be given by the State, they decided

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to stop them. It was not thought that a lottery system could be adopted to meet the unemployment doles. If it was a question of the National debt or the interest on the National debt being very high, then the method was adopted of asking the creditors themselves whether they would go in for the conversion loan, and we see the happy response to that appeal made by the Premier. Why should we not follow such methods? We are glad to note that England has been able to set a high standard to the world and India may follow their example and need not resort to lottery.

“My Friend, the Mover, referred to the sufferings of those who are unemployed. May I say, Sir, if only a lottery is started, instead of decreasing their sufferings, it will only increase them! For the unemployed themselves will throw away the little money in the lottery and suffer all the more.

“Reference was made to the fact that there are certain private lotteries. If Government really enforce the gambling laws, these private lotteries would be stopped. Two wrongs cannot make one right. Instead of taking up one, Government should stop all private lotteries that have been going on stealthily. It may be said that laudable objects may be secured by means like this, in other words, that the end justifies the means. I am afraid it is an ethical standard to which I personally I cannot subscribe, and I do not think many Members in this House will subscribe to it. In any case it should not be set up as a precept to be followed by any Government, much less the Madras Government.”

Sriman M. G. PATNAIK Mahasayo:—“Mr. President, even the hon. Mover himself admits that it is immoral to have recourse to lottery. (Cries of No, No.) Otherwise no licence would be required for this. This special legislation is now sought to be justified on grounds of financial stringency. That is, it means a special pleading, and the special pleading means that there is something wrong at the bottom. Lottery is prohibited by law, and even according to the Hindu Sastras it is against *dharma* and the king must take measures to put it down. It affords opportunity to improvident people to throw away what they have with a view to getting more. That is gambling really. In the present case, it will be a more civilized and more amplified form of gambling. Gambling is really the exploitation of the imprudent. On the floor of this House, Member after Member has condemned drinking. Why? Some improvident people go to the liquor house and throw away their money and thereby increase the revenue of the Government. But we do not like that Government revenue should increase by the suffering of imprudent people. That is the reason why we say there must be prohibition. If that is so, how is lottery different from raising money from excise? One man of course may be benefited by lottery, but that ill-gotten wealth will be spent very soon; but so many other people will lose their money. Therefore it is immoral on that ground, and this Council should have nothing to do with such things, and the State should not patronize lotteries.

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"Another thing also may be considered. So many people say that Government was clever enough to link excise revenue with the expansion of elementary education. They do not like such an idea, because no ill-gotten wealth should be used for the expansion of elementary education. That is the *dharma* of the king. If in other countries they do such things, it is not necessary that we should follow them. On the contrary we can show to them that we are not so immoral as they are."

Mr. ABDUL HAMEED KHAN:—"I am sorry I have to oppose the motion of my Friend, Mr. Sreshta. Mr. Sreshta has no doubt made out a very good case for his proposal, but I am sorry he has not convinced some of us with regard to the ethical nature of his proposal. He has tried to persuade some of us into the belief that whatever may be the ethical character of the object of this motion, the end justifies the means. I do not think the State can adopt such a line of argument. It is wrong and immoral to organize lotteries. As my Friend, Mr. Patnaik, said it is the duty of the State to set up a very high standard for people to follow. As it is, lotteries are prohibited, and it is a grave crime to run lotteries. I do not know how the Government which regards lottery as a crime can itself conduct a lottery. It will have to alter its laws before it runs a sweepstake. No doubt, we have to find money for very good objects that we wish to advance. I do not think that my Friend, Mr. Ramaswami Ayyar, was right in saying that the Government in England was adopting very high moral standards for tiding over the financial difficulties with which it was faced. The financial difficulties in England are of quite a different nature from those prevailing here. It is a different kind of gamble in England and we need not copy it. We have certain standards and we must follow them. In our country we must follow the high oriental morals, and we should not follow the methods of either Ireland or Switzerland or any other country in the West or in the far East, in order to raise money even for advancing good objects. No doubt, Mr. Sreshta's argument might seem convincing when he said that when the Government was exploiting the weakness of our countrymen in their excise policy and making money by selling drink, why should they not raise money by running a lottery for advancing certain laudable objects. But, as Mr. Ramaswami Ayyar said, two wrongs cannot make a right. No doubt, the Government is following a wrong policy in exploiting the weakness of our people to find money for purposes of education or any other good purpose. But the time has come to correct the mistake. Our task in the future will be very great if we go on heaping one wrong upon another. The Government in order to free itself of this charge will have to stop all kinds of gamble, which is somehow or other allowed, for example the race-course at Guindy and other places. If the Government stops the gambling in the races and also does not exploit the weakness of the people by their excise policy, I am sure Mr. Sreshta would not have come forward with a resolution of this character. All gambling is wrong, and the House knows that

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the Mussalmans have great objection to gambling, and I am sure in the religion of no community is gambling sanctioned. So, I hope all Members of the House will unite in not allowing the motion of Mr. Sreshta to be carried through."

* The hon. Mr. H. G. STOKES:—"Mr. President, very interesting speeches have been made this afternoon on both sides of the House, both by the Mover of the resolution and by those who opposed it, and I do not think I can add very much to the debate. The resolution proposes that a state lottery on the lines of the Irish Free State lottery be organized by Government for various public purposes.

"So far as has been ascertained, Irish Sweep Stakes cannot 4 p.m. be stated to be a State lottery in the sense in which it is recommended here to be adopted. Apparently it is held for a limited purpose, viz., to open a hospital. It is held under the provisions of a particular Act, viz., The Public Charitable Hospitals Act of 1930, passed by the Irish Legislature, and conducted, not by the Government, but by the Hospitals Committee. Drawing takes place under the superintendence of the Chief Commissioner of Police in Dublin and 25 per cent of the net proceeds after collection is paid to the hospital and the remaining 75 per cent is divided into prizes. There have been five of these sweep stakes between December 1930 and March 1932 and the public in the United Kingdom and throughout the world have subscribed to it not less than £13,800,000. Of that sum, they have received £7,700,000 in prizes. Expenses and commissions of the Sweep Stakes have involved an expenditure of £300,000 and of the total sum of £13,800,000 subscribed by the public only £2,800,000 has been given to the hospital. It has been calculated roughly that people from Great Britain have subscribed altogether £9,500,000 and received by way of prizes £5,000,000. The commission on sale of tickets has amounted to £600,000.

"Various arguments were advanced in the course of the speeches that have been made, and the fact was in particular emphasized that in many of the countries in Europe lotteries have been and are being recognized as a legitimate source of raising revenue. What has not been emphasized by the speakers in favour of this motion has been the point that in many of the most advanced countries in Europe—England is one of them—the system of State lotteries was definitely abandoned as having been harmful to the morale of the population. So long ago as 1808 there was a Select Committee of Parliament to enquire into the whole question. Up to that time, as has been pointed out, the system of lotteries had for a long time been recognized in England itself and this is what the Committee reported at that time:—

"In the meantime your committee find that by the effects of the lottery even under the present restrictions, idleness, dissipation and poverty are increased. The most sacred and confidential trusts are betrayed, domestic comfort is destroyed, madness often created, crimes subjecting the perpetrators of them to the punishment of death are committed an even suicide itself is produced as willfully appear by the evidence submitted to the House."

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"In 1918, when the matter came up before the House of Commons, at any rate it is reported so, the Chief Constable of Manchester, who gave evidence before the Select Committee, stated as follows:—

"Gambling in any form is one of the most important and one of the most perplexing problems of the day. If it is carried to excess, it is a most serious vice which enslaves its victims so as to make it morally impossible for them to throw off its influence. Once indulged in and given way to, it appears to monopolise a man's thoughts to the exclusion of all others, either of business, home or rational pleasure and very often it leads to direct ruin."

"The Chancellor of the Exchequer, in the course of a debate in Parliament, drew attention to the evils of the system and said as follows:—

"I do not believe that anybody will really be made into a thrifty man by the sudden winning of a prize which is beyond the dreams of any one. I think it is contrary to all experience and in my opinion the result of your issuing of premium bonds will not be that you will make a man to save who has not saved before but that it will induce a man to gamble who has hitherto saved."

"There is a great deal too much of the spirit of gambling in the country to-day, too much of the disposition to get rich quickly. It is not that spirit that will help us in our difficulties or carry us to safety. What we require is sober, steady, honest work and the more you turn the people's attention to chance, the more you take them away from strenuous effort and continuous hard work."

"I think that sums up adequately the general case against State lotteries based on the experience gained in Western countries. In this country, whatever may be the income that will be derived from starting these lotteries and whatever may be the defects in the application of law at the present time, those objections apply. At present such lotteries are illegal. I quite admit that in certain respects the law at the present time may not be enforced as strictly as it might be. But, it is one thing to say that the law at present is not strictly applied, that there are now many private lotteries going on plundering the peoples' money and that Government are allowing these lotteries to go on, and it is quite another thing to say that the State should come forward itself and induce the people to go in for gambling. That is what the establishment of a State lottery would mean. It may be that lotteries ought to be stopped. That is no argument for the proposition which we are now considering. I think it was Mr. T. S. Ramaswami Ayyar who said that two wrongs cannot make a right. Not only in England was the system of State lotteries abolished so long ago as 1826 or so but in other countries also. This is what I find in the report:—

"The pernicious effects of the State sanction of the vice of gambling have led to the abandonment of the lottery system in England and in 1826, Hesse 1832, France 1830, Sweden 1840, Bavaria 1861, Switzerland 1865 and various other countries."

"Sir, I do not know whether it has anything to do with the post-war psychology that we get now an agitation for the establishment of State lotteries. It may perhaps be conjectured that that has something to do with the movement which has manifested itself in England and more especially in Ireland, and again in this country in recent years. It may perhaps be asked whether in Ireland there has been any evidence of the harmful effects of these lotteries which have been established

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since 1930. There is such evidence. I find that in April 1931 when the system had been going on for about a year or so, the Dublin Merchants' Association made a protest to the Irish Free State Government on the subject. They reported thus:—

'We have also seen during the past year a very disquieting increase in the desire of many to get something for nothing.

(I think we all suffer from that weakness.)

'We have asked the attention of the business section of the population to the great danger to its interests by the tremendous increase in gambling in the Irish Free State. Consequently we have ventured to put our views before the Ministers of the Government as follows:—That we view with concern the amount of gambling in the Free State which diverts both energy and money from industry and commerce and causes grave disturbance to the public mind.'

"So that you will see what the opinion of a responsible body of merchants in Dublin has been in regard to this State lottery. I suppose a year or two of their experience of the pernicious effects of the system of State lottery has converted them to this opinion. My Friend, Mr. Sreshta, rather contemptuously brushed aside the ethical arguments that may be advanced against these lotteries. To my mind they are the most important of all. I feel sure the House will better realize its responsibility before voting on this motion one way or the other, than he seems to have done. I regard it as a most serious thing that Government should come forward and start a gambling of this kind which will be a cause of ruin to the many millions not only of really poor people but of many others who draw very small incomes. It is all very well to say, as Mr. Sreshta put it, that we have become bankrupt and that something ought to be done for establishing the financial equilibrium of this Province. I venture to suggest that his statement of our financial position is a gross exaggeration. It is quite true that we are passing through very difficult times and that our financial position is causing anxiety. We have been obliged to cut down our expenditure on various items and I stated in reply to a question that was put to me what has been accomplished in connexion with retrenchment in this Province. It is quite true that we are passing through difficult times and that we should find some means of making up our deficit. But on that account are we to adopt a system by which we will take away the money from the people's pocket and at the same time induce them to go into a state of habitual extravagance and recklessness? It seems to me that the House should bear in mind the possible effects of the extension of that spirit of gambling in people's minds, the growth of a desire to get rich quickly, and to get something for nothing. The House should also bear in mind the possible effects of that spirit on such movements as the co-operative movement which depends for its vitality on the encouragement of the habit of saving and thrift. Of course, the idea of these State lotteries presents us with a very delightful picture of the establishment of schools, opening of hospitals and laying out of new roads and so forth and that the expenditure on the development of these things can be met from the proceeds of such lotteries. Otherwise for finding money for the development of these items we

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will have to resort to additional taxation. While I am bound to say that additional taxation is not desirable, I would rather have it than getting money by starting lotteries the effects of which, on the economic morale of the population, cannot be calculated, and are for that reason easily lost sight of. It is all very well to advocate these lotteries in high terms remembering only the fact that a sweeper here or a cooly there gets Rs. 10,000 or Rs. 50,000, but we forget the fact that, if one or two people get thousands, millions of people are made bankrupt. Those are very serious effects which the House should bear in mind.

"I do not know if I should detain the House much longer in explaining the reasons why we are unable to accept this proposal. It is entirely incorrect to suggest that we are in so serious a financial predicament that we must accept this expedient. Nothing of the kind. We hope to have a balanced budget in the coming year and possibly something better. And we hope that with great self-restraint in financial matters and in the matter of our expenditure, we shall be able to tide over the present time of stress. I hope therefore the House will reflect carefully before it adopts this resolution which I regard as pernicious in the extreme."

4-15
p.m

Mr. M. S. SRESHTA:—"Mr. President, I have nothing to add to what I have said in the beginning in moving my resolution. But I should like to contradict one statement made by the hon. the Finance Member, namely, that the situation in this Presidency is not so bad as I sought to make out and the statement made by me was a bit exaggerated. I shall appeal to hon. Members of the House who are more in touch with the people and with the unemployed especially, to say whether the statement I made with regard to the sufferings of the people is true or not. It may be that some of my inferences are wrong, but I am sure none of my statements are exaggerated. It is unfortunate that the British precedent is against us in this matter, but I have taken pains to show clearly how the conditions in England are different from the conditions in Madras. Even there, of late there has been a change of view. It is not statesmanlike to cling for all time to ideals and standards which are absolutely impracticable. I am as absolutely sure of my statement as the hon. the Finance Member was of his, that if this resolution was passed there would be no increase whatever of the gambling tendency, but it would only divert the flow of money, now going outside, to our own pockets. We agitate against huge sums of money going out of our country in the shape of salaries and pensions, but see how much goes out of the country for the purchase of lottery tickets. Is not that to be stopped? If this resolution is not passed, the Government must put a stop to all sweepstakes and lotteries in the country. If they are not able to do that, I do not see why they should not agree to this resolution."

* Mr. SAMI VENKATACHALAM CHETTI:—"Mr. President, Sir, but for the concluding remarks of the hon. Member who has just sat down, I would not have intervened in this debate at all. I am not a puritan

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in my outlook and I do not look upon lotteries from the point of view of a puritan. There is no doubt an element of gambling instinct in every man, but that does not mean that we should encourage that instinct, or that it would be proper for the Government of a country to encourage it. I am glad the hon. the Finance Member has opposed this resolution in very strong terms. But I am not against lotteries being conducted by respectable private persons in order to finance highly laudable objects of public utility. My objection to the State running a lottery is not on the ground that it will tend to lower our ethical ideals and spoil the *morale* of the people. I do not oppose it on the ground that a State lottery will encourage habits of thriftlessness in the people. But the contingency that by means of a State lottery the Government can collect a lot of money will induce any Finance Member to budget for a greater expenditure than the ordinary income warrants. There is another objection also to the State running a lottery. A State lottery is another means of taxation of the people—an indirect taxation of the people. All indirect taxes are bad in principle, but we have to levy them as a matter of extreme necessity and not as an ordinary means of getting the State's revenues. But once the State begins to run a lottery, many people will not have the freedom to buy or not buy a ticket as in the case of private sweepstakes; persuasion, pressure and coercion will be brought to bear upon them in one shape or another, so much so, there will be hardly any distinction between the purchase of a ticket and the payment of a tax. It is for these reasons that I oppose the proposal to ask the Government to run a lottery.

“But the Government need not stand in the way of respectable persons organizing lotteries for specific laudable objects. The policy adopted by the Government hitherto not to prosecute organizers of lotteries merely because they organize lotteries, unless fraud was detected, is the best that could be adopted.

“But all these arguments do not answer another objection raised by Mr. Sreshta that a lot of money is being drained away to other places and that something must be done to stop it. I am afraid on that matter the Local Government cannot do much. They may perhaps ask the Government of the country in which the lottery is conducted not to allow their tickets to be sold in this country. That may perhaps go far to stop the drain of money that is taking place at present.”

Diwan Bahadur R. N. AROGYASWAMI MUDALIYAR:—“Sir, may I say one word? I am not going to make a speech, because I certainly agree with what the hon. the Finance Member has said on this question. But on one point I have a difficulty. He said that lotteries are illegal, but even to-day I find in the papers lotteries being advertised. To mention only one case, I found in yesterday's paper a lottery for the Ahobilam temple advertised. I should like to know if really they are prohibited and, if so, how they are allowed to be advertised and conducted.”

* The hon. Diwan Bahadur Sir M. KRISHNAN NAYAR:—“With reference to the remarks of the hon. Member, Diwan Bahadur Arogyaswami Mudaliyar, I may make a statement now. There have been

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hundreds of applications to Government for permission to run lotteries. All these applications have been invariably refused by the Government. In the case of a very few—their number is very small—when the Government were satisfied that the applicants are particularly respectable persons, what the Government have stated is this, namely, Government refuse to grant permission to conduct the lottery, but the Police will not prosecute the conductors of the lottery unless fraud is detected. Very many applications for very laudable objects such as the construction or the renovation of well-conducted schools, temples and churches have been refused. With reference to the particular instance referred to by Diwan Bahadur Arogyaswami Mudaliyar, namely, that of the Ahobilam temple, I have sent my clerk to get correct information from my office and I shall give it to him as soon as I get it. I do not think that the Government have given sanction for Ahobilam temple lottery. The policy of the Government, as I said, is invariably to refuse permission. In a small number of cases, a rider is added to the Government Order, saying that the Police will not prosecute the organizers unless fraud is detected. But that is not giving sanction."

The question was put and declared lost. A poll was demanded and the House divided thus:—

Ayes.

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| 1. Mr. R. Madanagopal Nayudu. | 7. Rao Sahib P. Subrahmanya Chetti. |
| 2. Diwan Bahadur C. S. Ratnasabhapati Mudaliyar. | 8. Mr. R. M. Palat. |
| 3. Mr. M. S. Sreshtha. | 9. " V. P. Narayanan Nambiyar. |
| 4. Rao Sahib N. Siva Raj. | 10. " A. B. Shetty. |
| 5. Rao Sahib V. Dharmalingam Pillai. | 11. " A. Pl. N. V. Nadimuthu Pillai. |
| 6. Mr. K. Kesava Ramamurti Nayudu. | 12. " W. P. S. Soundara Pandian. |
| | 13. " D. V. Narasimhaswami. |
| | 14. " T. Narasa Reddi. |

Noes.

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| 1. The hon. Khan Bahadur Sir Mahmud Usman Sahib Bahadur. | 21. Mr. Daniel Thomas. |
| 2. " Diwan Bahadur Sir M. Krishnan Nayar. | 22. Swami A. S. Sahajanandam. |
| 3. " Mr. H. G. Stokes. | 23. Pandit Ganala Ramamurti. |
| 4. " Diwan Bahadur S. Kumaraswami Reddiyar. | 24. Sriman M. G. Patnaik Mahasayo. |
| 5. " Mr. P. T. Rajan. | 25. Diwan Bahadur R. N. Arogyaswami Mudaliyar. |
| 6. " Diwan Bahadur B. Muniswami Nayudu. | 26. Mr. Sami Venkatachalam Chetti. |
| 7. Mrs. K. Alamelumangathayaramma. | 27. Khan Bahadur Mahmud Schamnad Sahib Bahadur. |
| 8. Mr. C. E. Jones. | 28. Mr. T. S. Ramaswami Ayyar. |
| 9. " J. A. Thorne. | 29. " Abdul Hameed Khan. |
| 10. " H. M. Hood. | 30. " U. C. Subrahmanya Bhatt. |
| 11. " S. H. Slater. | 31. " A. W. Hutton. |
| 12. " E. Conran Smith. | 32. " F. J. Stanes. |
| 13. " T. Sundara Rao Nayudu. | 33. " F. E. James. |
| 14. Khan Sahib Syed Tajuddin Sahib Bahadur. | 34. Rai Sahib C. Kolanda Reddi. |
| 15. Mr. K. P. Raman Menon. | 35. Mr. J. Kuppuswami Choudari. |
| 16. " M. Devadasan. | 36. Rao Bahadur Sir A. P. Patro. |
| 17. " B. P. Sesha Reddi. | 37. Diwan Bahadur S. Ellappa Chetti-yar. |
| 18. " P. C. Moses. | 38. Mr. V. T. Arasu. |
| 19. " P. V. Rajagopala Pillai. | 39. Rao Sahib V. I. Muniswami Pillai. |
| 20. " M. A. Muthiah Chetti-yar. | 40. Khan Bahadur T. M. Moidoo Sahib Bahadur. |
| | 41. Rao Sahib R. Srinivasan. |
| | 42. Mr. G. R. Premayya. |
| | 43. " G. Lakshmana Reddi. |

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Neutral.

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| 1. The Zamindar of Kirlampudi. | 3. Mr. K. A. Nachiyappa Gounder. |
| 2. Mr. P. Peddi Raju. | 4. „ K. S. Sivasubrahmanya Ayyar. |

Ayes 14. Noes 43. Neutral 4.

The resolution was lost.

* Mr. M. DEVADASAN:—“ Mr. President, Sir, under S.O. No. 34 4-30
I move that the business of the House, viz., Resolutions Nos. 5 to 49, p.m.
may be adjourned and that Resolution No. 50 regarding the honorific
prefix and suffix to the names of the members of the Viswabrahmana
community may be taken up now. In this connexion I have to say that
Mr. Ganala Ramamurti gave notice of this resolution nearly a year
ago, and unfortunately it had not been possible for the resolution being
considered. This resolution has been hanging fire for the last one year.
Since it was not taken up, Mr. Ramamurti has brought it once more.”
(The motion was duly seconded.)

The hon. Khan Bahadur Sir MAHOMED USMAN SAHIB Bahadur:—
“ Sir, the resolutions have been ballotted and it is not right that
precedence should be given to this resolution.”

The motion was put and declared lost. A poll was demanded and the
House divided thus:—

Ayes.

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| 1. Mr. M. Devadasan. | 12. Mr. J. Kuppuswami Choudari. |
| 2. „ M. S. Sreshta. | 13. „ C. Satyanarayana Choudari. |
| 3. „ P. V. Rajagopala Pillai. | 14. Rao Bahadur Sir A. P. Patro. |
| 4. „ A. V. Bhanaji Rao. | 15. Diwan Bahadur S. Ellappa Chetti- |
| 5. Swami A. S. Sahajanandam. | yar. |
| 6. Pandit Ganala Ramamurti. | 16. Rao Sahib V. I. Muniswami Pillai. |
| 7. Rao Sahib P. Subrahmanya Chetti. | 17. Mr. W. P. A. Soundara Pandian. |
| 8. Mr. K. Kesava Ramamurti Nayudu. | 18. Khan Bahadur T. M. Moideoo Sahib |
| 9. Sriman M. G. Patnaik Mahasayo. | Bahadur. |
| 10. Mr. A. W. Hutton. | 19. Mr. F. E. James. |
| 11. Rai Sahib C. Kolanda Reddi. | |

Noes.

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| 1. The hon. Khan Bahadur Sir Mahomed Usman Sahib Bahadur. | 9. Mr. J. A. Thorne. |
| 2. „ Diwan Bahadur Sir M. Krishnan Nayar. | 10. „ H. M. Hood. |
| 3. „ Mr. H. G. Stokes. | 11. „ R. Madanagopal Nayudu. |
| 4. „ Diwan Bahadur S. Kumaraswami Reddiyar. | 12. „ S. H. Slater. |
| 5. „ Mr. P. T. Rajan. | 13. „ E. Conran Smith. |
| 6. „ Diwan Bahadur B. Muniswami Nayudu. | 14. „ T. Sundara Rao Nayudu. |
| 7. Mrs. K. Alamelungathayaramma. | 15. Khan Sahib Syed Tajuddin Sahib Bahadur. |
| 8. Mr. C. E. Jones. | 16. Mr. K. P. Raman Menon. |
| | 17. Rao Sahib N. Siva Raj. |
| | 18. Mr. B. P. Sessa Reddi. |
| | 19. „ M. A. Muthiah Chettiyar. |

Ayes 19. Noes 19.

The hon. the PRESIDENT:—“ I vote against the motion.”

The motion was lost.

[Mr. Mahboob Ali Baig not being in his place when called, his resolution regarding the revision of pay and status of typists in Government service was not moved.]